



# **DCMC [Insert CAO Name]**

## **FY01 CAO Planning & Budgeting**

[Insert CAO Logo Here]

**"One Plan Across The Command"**



# Agenda

## ✓ Opening Remarks

## I. Objectives & Expectations of Today's Workshop

## II. How This Fits into IMS Cycle

## III. IMS Module 2 - How to Develop a CAO Plan

## IV. FY01 Business Plan Overview

## V. Develop **[Insert CAO Name]** FY01 Performance Plan



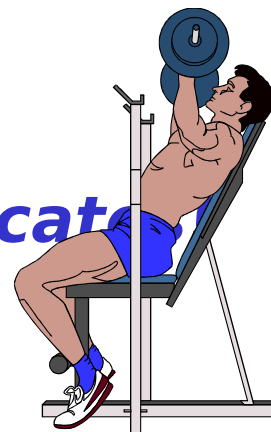
# I. Objectives & Expectations of Today's Workshop



# Why we are here!

- **To become familiar with the FY01 Business Plan, goals & strategies**
- **To understand the Command's resourcing process and the steps required to resource our plan**
- **To make the decisions necessary to develop a Performance Contract and Performance Plan for [insert CAO Name here]**
- **Ownership -- Goal/Commitment**

***You are our strongest advocate***





# The “Performance Contract” Concept



- **DCMC must commit to financial and performance goals in a long term contract with OSD**
- **We use the same process internal to DCMC**
- **CAO contracts are no less important and form the basis for DCMC’s contract with OSD**
- **The “Performance Contract” is one of the tools we will use to negotiate and agree upon financial and operating performance**
- **Represents a commitment or “contract” to achieve a *target level of performance* for a given resource level received**



# Input We Provide

- **Review Business Plan and Supplement as required**
- **Analyze mission performance and costs**
- **Use the Performance Contract Format to:**
  - **Identify internal trade-offs**
  - **Articulate our plan**
  - **Negotiate performance and budget targets**
- ? Develop a Business Case Fact Sheet to quantify impacts on performance due to unfunded requirements**



# What happens to our input?

➤ **Performance Contract, Budget Plans and Business Case Fact Sheets reviewed by District**

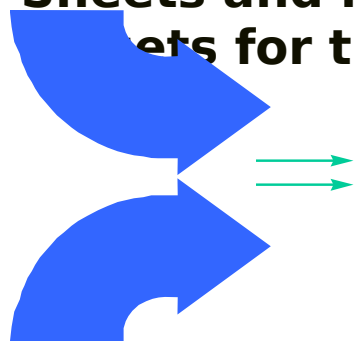
- ▢ **Unresolved issues resolved by BPT and RUC and approved by the DCMC Commander**

- ▢ **BPT/RUC process reviews the Performance Contract, Budget Plans, and Business Case Fact Sheets and negotiates final targets for the Command**

- ▢ **Aggregate targets for Command incorporated into POM and OSD Performance Contract**

- ▢ **Primary tool for updating our Budget Estimate Submission (BES)**

- \* **Becomes the gauge by which our activity's performance is measured at MMRs and FMRs**



**Our input is the basis for how the Command is resourced. It's important and it will be used!**



# Expectations

- ▮ **Your work on the plan is vital**
- ▮ **Performance Plans/Contracts, Budget Plans and Business Cases drive:**
  - ▮ **Program Objective Memorandum (POM)**
  - ▮ **Performance Contract with OSD**
  - ▮ **DCMC/District Budget**
  - ▮ **Our Management Review Process**
- ▮ **Take a hard look at your team's performance, workload, and financial outlook and translate your analysis into your team strategies/plan**
- ▮ **Be a proponent and advocate of the plan and the IMS process**







## II. DCMC Integrated Management System (IMS) Overview



# Getting the Word Out

- **IMS Focal Points at all CAOs**
- **One Book Chapter: Integrated Management 0.6**
- **IMS Guidebook**
- **IMS CBT**
- **FY01 Performance Goal to train all employees in our organization**

IMS Focals at all CAOs; One Book Chapter 0.6; IMS Guidebook; IMS CBT; FY01 Performance Goal to train all employees in our organization



# **DCMC Integrated Management System(IMS)**

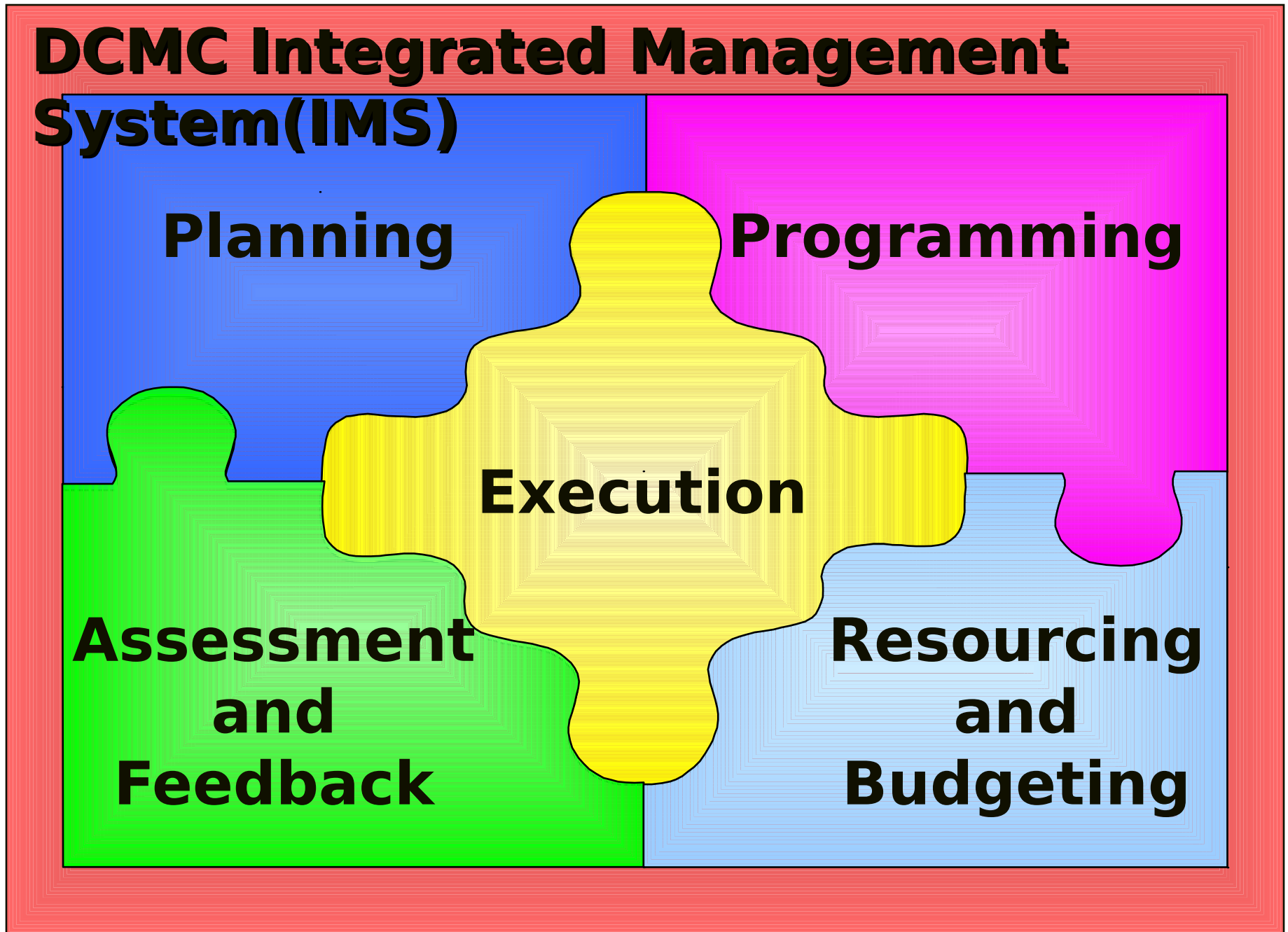
**Planning**

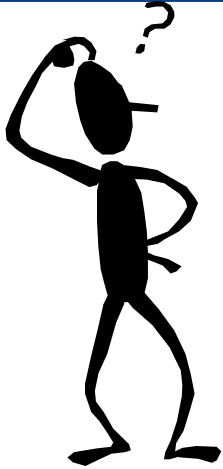
**Programming**

**Execution**

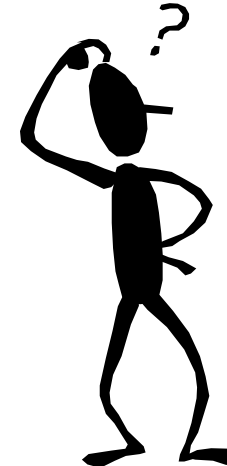
**Assessment  
and  
Feedback**

**Resourcing  
and  
Budgeting**





Q & A





# III. Development of a CAO Performance Plan “IMS Module 2”



# What Makes A Good Plan

- **A solid business strategy**
- **Organizational commitment**
- **Accountability for results**
- ***Measurable and achievable goals/strategies***
- **An understanding by everyone as to how they fit in and contribute**
- **Strong focus on meeting customer needs**



# So What's A CAO To Do?

- **Critical that we supplement with things that will help achieve Command goals/objectives**
- **Develop strategies for improving shortfalls using the Internal Risk Management approach (new One Book Chapter)**
  - **ICS**      ➤ **USA**
  - **MCR**      ➤ **MMR**
  - **SRM**      ➤ **IOA**
- **Include Special Agreements with customers**
- **Develop strategies that will help each member of organization understand how they fit in/contribute to our success**

**AND THEN**
- **Execute mission requirements**
- **Monitor progress toward goal achievement**
- **Take corrective/improvement action**



# CAO Key Players

- **Commander/Deputy**
  - **Group/Team Leaders**
  - **IMS Focal Point**
- 
- **Customer Satisfaction Focal Point**
  - **Budget Monitor**
  - **Reimbursable Monitor**
  - **CAO Planning Focal Point**
  - **USA Focal Point**
  - **MCAP/MCR (Internal Risk Management) Focal Point**
  - **Metrics Focal Point**
  - **Process Focal Points**
  - **SFAs**
  - **Process Champions**
  - **Program Support Teams**
  - **Union Representative**

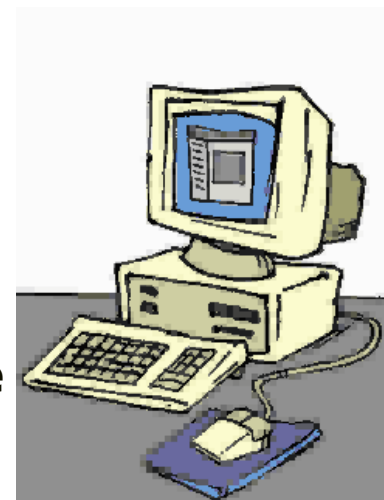
**Input and  
Participate as needed**





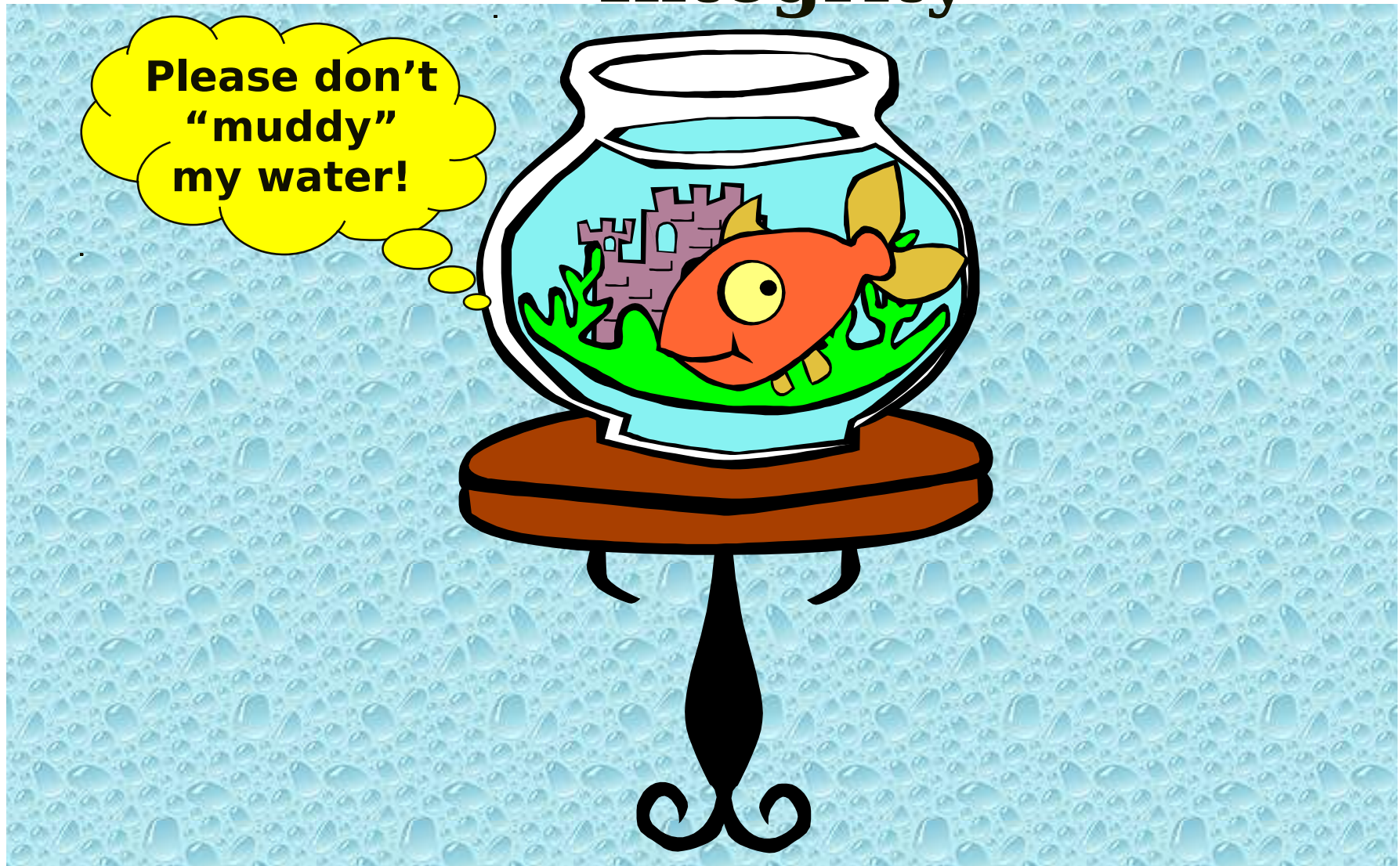
# Inputs to the Planning Process

- **DCMC Business Plan**
- **Reimbursable Projections**
- **Non-labor Estimates**
  - **Travel**
  - **Training**
  - **GOVs**
  - **Supplies**
- **Labor Estimates**
  - **Authorized and Actual FTEs**
  - **Overtime**
- **PST Program Requirements**
- **RUC Estimator Model Data**
- **Risk Assessment Results**
- **Mission Performance Results**
- **Assessment Tool Results; includes:**
  - **Internal Customer System Results**
  - **USA Results**
  - **IOA Results**
  - **MCR Results**
  - **Other External Reviews**
- **Other CAO Unique Requirements**





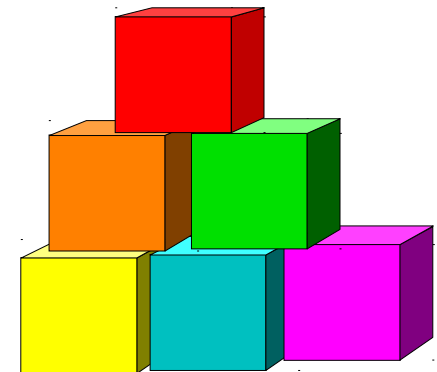
# The Importance of Data Integrity

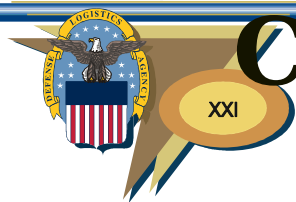




# Assessing CAO Needs

- **Review mission, goals, and objectives**
  - **DCMC Business Plan requirements**
  - **CAO unique mission requirements**
  - **CAO unique performance indicators**
  - **Results of internal assessments**
  - **IOA results**
- **Review CAO actual performance to performance goal level**
- **Review and adjust Budget Plans**
- **Populate the contract**
  - **By PLAS process**
  - **By Performance Plan structure (Objectives-Service Sets)**





# Comparing Projections to Authorized Allocation

- **Budget or FTE allocation not adequate**
  - **Utilize Performance Contract and Budget Plans**
  - **Determine if any FTE, budget, or performance trade-offs can be made**
  - **Prioritize and trade-off lower priorities**
  - **Determine funded VS unfunded requirements**
  - **Negotiate lower performance targets**
- **CAO has unfunded requirements or skills imbalance?**
  - **Identify impact and prepare a Business Case Fact Sheet to accompany the Performance Contract and Budget Plan submittal**



# **Adding CAO Supplemental Strategies/Tasks to the Plan**

## **➤ Strategies/Tasks:**

- Added under performance goals (no prescribed numbering system, but identify your CAO Name)**
- Must contribute to achievement of Command level performance and investment goals**
- Document activity that will lead to accomplishment / improvement of performance goal**
  - Unique Customer Requirements**
  - OFI improvement initiatives**
    - selected from results of the various assessment tools (USA, IOA, ICS, etc)**



# CAO Performance Plan/Budget Submission

- **All of the inputs from the previous steps are consolidated into the CAO Performance Plan and budget submission which includes:**

- **Supplemented Performance Plan**

- **Performance Contract**

- **FTE Plan**

- **Object Class Plan**

- **Reimbursable Plan**

- **Training Plan**

- **GOV Plan**

- **Business Case Fact Sheet (if required)**

**Deliverable  
Products**



# Negotiation Process

- **Targets were adjusted based on our input - several goals changed**
- **Individual performance for each CAO**
- **Commitment to level of performance for a given level of resourcing**
- **All levels negotiate with next level up the Chain of Command**
  - **CAOs negotiate levels with Districts**
  - **Districts with DCMC HQ**
  - **DCMC HQ with OSD**



Q & A





# IV. FY01 DCMC Business Plan Overview



# Development of the Business Plan

- **Long-range direction from Executive Council**
  - **Mission**
  - **Vision**
  - **Goals**
  - **Objectives**
  - **Topic areas for performance/investment goals**
  - **Plan now aligned with Service Sets as in One Book**
- **Contents written by separate HQ staff elements**
- **Input via field review prior to publication of plan**

**Collaborative effort between all of us**



# Input via Planning Team

- **Representatives from HQ, Districts, CAOs**
  - **CAO participants added in response to lessons learned from FY99**
  - **Representatives from PLAS PMC**
- **Team's role in the process:**
  - **Facilitating plan development process**
  - **Ensuring compliance with GPRA**
  - **Establishing standard planning/budgeting process**
  - **Communicating process across the Command**





# Business Plan Contents

- **Table of Contents**
  - **Commander's Message**
- **Part A - Foreword**
- **Part B - DCMC Long-Range Plan**
- **Part C - FY01 DCMC Performance Plan**
- **Part D - FY01 Budget Formulation Guidance**



# Part A - Foreword

- **About DCMC - Business Base, Services before & after award**
- **Core Values**
  - **People, Service, Excellence, Integrity, Innovation**
- **Operating Principles**
  - **Risk Management**
  - **Civil Military Integration**
  - **Process Oriented Contract Administration**
  - **Integrated Product Teams**
  - **Management Councils**
  - **Integrated Management System**



**NEW!**



# Part B - Long-Range Plan

**Sec 1: Mission/Vision**

**Sec 2: Goals/Objectives (linkage to DoD goals & priorities)**

**Sec 3: How goals/objectives will be achieved**

**Sec 4: How performance goals relate to goals/objectives**

**Sec 5: Key external factors beyond DCMC control**

**Sec 6: Program evaluations**

**Aligned with GPRA Requirements**



# Part C - FY01 Performance Plan

## Hierarchy Structure



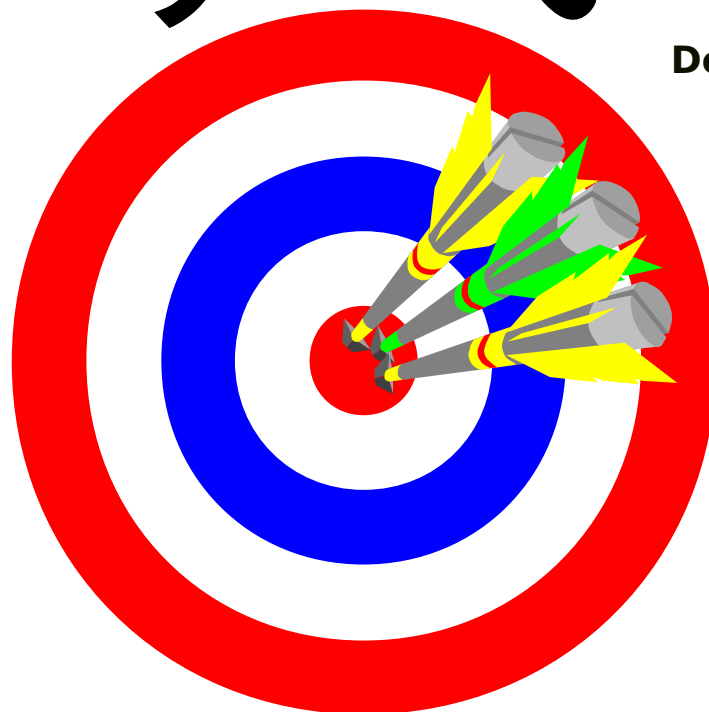
- **Aligned by objectives--Executive Council**
  - ▢ **HQ activities in implementing plans**
  - ▢ **Fewer items, better link to CAOs**
  - ▢ **Investment Goals (18) in separate section**



# Part C - DCMC Performance Plan

Represents our Command priorities and our commitments on what we intend to accomplish.

## 3 Goals



Deliver Great Customer Service

Lead the Way to Efficient and Effective Business Processes

Enable DCMC People to Excel

## 12 Objectives Aligned by Service Set





# Goals and Objectives - Goal 1

## **Goal 1: Deliver great customer service**

**Objective 1.1: Engage early in the acquisition cycle to improve business results.**

**Objective 1.2: Team with Service program managers to achieve customer desired results**

**Objective 1.3: Assure the quality of today's products and services and improve the capability of tomorrow's Defense industrial base**

**Objective 1.4: Ensure timely delivery of products and services**

**Objective 1.5: Team with and represent our customers in securing best value products and services.**

**Objective 1.6: Provide payment and financial management services that promote efficient and effective operations.**

**Objective 1.7: Complete all aspects of contract closeout in a timely manner**

**"Customer Focused"**



# Goals and Objectives - Goal 2

**Goal 2: Lead the way to efficient and effective business processes**

**Objective 2.1: Use risk management to improve efficiency in supplier and internal business management processes.**

**Objective 2.2: Promote increasingly efficient and effective contractor business and financial systems**

**Objective 2.3: Provide timely, quality flight operations services.**

**Objective 2.4: Increase the efficiency of DCMC services support**

**"Process Focused"**



# Goals and Objectives - Goal 3

**Goal 3: Enable DCMC people to excel**

**Objective 3.1: Build and maintain a work environment that attracts, develops, and sustains a quality workforce**

**"People Focused"**



# Example: Performance Goal

## 1.4.1

**Performance Goal** - Increase on-time deliveries by 5 percentage points.

**Performance Goal Indicator-Metrics Guidebook Number/Computation:** 3.7.1 -  
See metrics guidebook for computation.

**Baseline Performance Level** - Baseline will be established October 2000.  
Baseline shall be the average On-time rate realized during FY00.

**PowerPlay Cube Name** - Data can be obtained by running the Impromptu Query titled "112.imr" on the 15th of each month. If the 15th falls on a holiday or weekend, run on the following business day. Summary data dating from October 1998 can be found on the DCMC Homepage at the following address:  
[www.dcmc.hq.dla.mil/dcmc\\_o/ob/delivery/initiati.htm](http://www.dcmc.hq.dla.mil/dcmc_o/ob/delivery/initiati.htm).

**PLAS Code(s)** - 086

**Service Set** - Delivery Services

**One Book Chapter Number** - 5.1

**OPR** - DCMC-OB

**OSR** - DCMDs and CAOs

**Target Completion Date** - September 30, 2001

**Year-end Status Calculation** - Divide total number of schedules delivered on time during FY 01 by total number of schedules due during FY 01. Multiply the result by 100.

**Strategy**      Why?      How?      CAO involvement?



# Reviewing Progress To Plan

## 3 Types of Management Reviews

### ➤ **MMRs (Mission Management Reviews)**

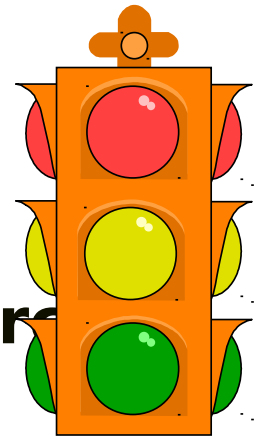
- ✓ Track performance against targets

### ➤ **FMRs (Financial Management Reviews)**

- ✓ Assess financial, unit cost, and resource management performance

### ➤ **SMRs (Special Management Reviews)**

- ✓ Review topics requiring special management attention and the status of "Implementation Plans" for things like IT, and customer satisfaction plans.





# Summary

- **More improvements for FY01**
  - Improved alignment with One Book, unit cost, etc.
  - More CAO involvement during development
  - Better performance goal compliance with GPRA
- Supplement the plan as required but retain focus on Command improvement priorities
- Use IRM Policy to select OFIs for inclusion in supplemental plan
- Progress monitored via Management Review process
- Net Result: A more focused plan that is more meaningful at all levels in the Command

Getting better  
but always room  
for improvement

"One Plan Across The Command"



# You're Ready!

- **Develop [Insert CAO Name] FY01 Performance Plan**
  - **Suggest ground rules be posted**
  - **Suggest group review/post DCMC predefined strategy box (Page C-5 of Business Plan)**
  - **Sample CAO Performance Goal Worksheet and Strategy/Task Planning Documents (File name: Sample Worksheets.xls)**

**Note: If you elect to use either of these documents, it will facilitate the process if they are pre-populated with:**

- **Input from key players not in attendance,**
- **Historical performance information, and**
- **Any other information which is available prior to your CAO workshop**